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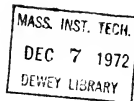
The Study of Alumni: Some Results
and Some Questions From the Sloan School Survey*

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Organization Studies Group
Sloan School of Management

October 1972

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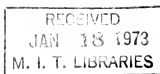
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The study of alumni can have many different purposes. For many schools it serves the purpose of keeping in touch, for organizing reunions, and for fund-raising efforts. The kinds of information which are sought involve occupation, geographical location, family status, number of children, politics and any other items of personal significance which class-mates like to know about each other. The typical design is to ask the class secretary to whip up a questionnaire and do a rough tabulation of the first few hundred that come in, put the results in a newsletter, and quote a few statistics which may or may not reflect accurately what is going on.

A second and quite different purpose for alumni studies is to study career development. When one attempts to understand how a career develops, it can be very useful to control the characteristics of the entrants into the career. Instead of studying a sample of managers who come from dozens of different professional schools, one can sharpen the analysis by selecting alumni samples from schools whose professional training process is known. Such studies introduce a potential bias in terms of the effects of a particular school, but the gains of obtaining a more homogeneous sample of entrants into an occupation may be well worth such a bias. One of my own major purposes in launching the present survey is to begin a more systematic process of studying managerial career development.

A third purpose for alumni studies, and perhaps the most important one, is to study the impact of the educational process itself. I have long believed that student opinions on the value of courses or the impact of particular professors is of little value if the student

has not experienced the realitites of an occupation. Once he has gained such experience he is in a much better position to evaluate the good and bad points of his education. Such evaluations are not without their own systematic biases, however. Alumni may not remember, may not be aware of what they learned, may be biased by their degree of occupational success (or lack thereof), and may be responding when it is already too late to do anything about their feedback. Therefore, one should not base all of one's evaluation on alumni data. But alumni reactions must be added as one key dimension of such an evaluative process. One of our major purposes in launching the present alumni survey is to add alumni opinion to the evaluation data available for the assessment of what our first twenty years have meant to us and to the profession of management.

This short report will attempt to extract some highlights from the analysis of the first four hundred or so responses to the one page questionnaire which was sent to the 1,492 Sloan School alumni who graduated from the regular Masters and Ph.D. programs. Sloans, Senior Executives, and undergraduate alumni were excluded from this particular study. The low response rate of thirty percent probably reflects a variety of different factors^{*} and will necessitate a follow-up mailing to those of you who have not yet responded.

For purposes of today's report, I must caution, however, that

* The reasons may be several: 1) the questionnaire was clipped into the newsletter in such a way that many alumni may have missed it altogether; 2) our file of addresses may be out of date and the questionnaire may never have reached certain of our alumni; 3) the relation between the alumni and the School is a cool one, and there is not too much commitment on the part of alumni to respond to a questionnaire; 4) previous research done on students and/or alumni has promised feedback without delivering, thus disillusioning some alumni about the value of participating in surveys.

our sample is not large enough to warrant generalization to the entire alumni population.

The sample we have has a number of characteristics which can be mentioned as a starting point:

1. AGE

34% are 30 and under

46% are 31 to 40 years old

20% are over 40

2. YEAR OF GRADUATION

8% graduated before 1950

17% graduated in the 1950's

54% graduated in the 1960's

21% graduated in the 1970's

We thus have a fairly good spread in terms of age and years of graduation.

3. UNDERGRADUATE ORIGIN

The Sloan School has always taken a certain percentage of its graduate students from M.I.T. undergraduates, but the ratio seems to be changing. In the 40 and over group, we find that 19% were M.I.T. undergraduates, in the 30 to 40 group we find 22% were from M.I.T., and in the 30 and under group we find a whopping 35% are from M.I.T. Does this make a difference in terms of later career success as measured by rank and income? The answer seems to be clearly NO. M.I.T. undergraduates do neither better nor worse than their non-M.I.T. counterparts.

Also of interest is the degree to which the alumni come from technical or non-technical backgrounds. In the oldest group we find 77% with technical backgrounds, of which over 3/4 are engineering. In

contrast, in the youngest group we find only 69% with technical backgrounds, of which 2/3 are from engineering. The efforts to broaden the base seem to be progressing, albeit slowly. Roughly 10% in each age group come from management undergraduate majors. We found no consistent relationship between undergraduate major and later career success, though further analysis will be done.

4. PREVIOUS JOB EXPERIENCE

Many members of the faculty have felt that previous business experience will enhance the student's ability to use his educational experience and will contribute to career success. We found that in the oldest group 76% came into school directly from college, in the middle group 74% had no prior experience, and in the 30 and under group, 88% had no prior business experience. We then related the presence or absence of prior experience to later career success and again found no relationship whatever in any of the age groupings. This finding does not rule out the possible advantage of better utilization of their education by the more experienced, but it does throw into question the assumption that such experience gives the alumnus an advantage over his inexperienced counterpart.

5. PRESENT OCCUPATION OR JOB ROLE

Each questionnaire was sorted into the following job categories: President or CEO; General Manager; Functional Manager; Business Staff; Professor or Teacher; and other. What we wanted to determine was not only where the alumni were at the present time but to obtain some clue as to how they got there by comparing the distributions of jobs in the different age groupings. (At a later time we will look at the actual career histories.)

Let us look at the 30 and under group first: we find 2% are Presidents; 10% are General Managers; 25% are Functional Managers; 46% are in Business Staff roles; and 11% are Professors; the remaining 6% are in other occupations or were uncodable. Almost half of the group is in the Business Staff category which supports the stereotype that the Sloan School trains staff types. When we look at the first jobs of this entire group, we find that a whopping 71% of them started in staff jobs.

The 30 to 40 group has 9% Presidents; 20% General Managers; 39% Functional Managers; only 17% Business Staff; and 14% Professors. Sixty percent of this group reported that they started in staff jobs. Notice that by the time the alumni reach the 30's, 68% are already in some form of management, and only 17% are still in staff roles.

The 40 and over group shows the trend strongly. 34% are Presidents; 23% are General Managers; 26% are Functional Managers; only 8% are in Staff roles and only 8% are Professors. Of this group only 44% started in staff jobs.

With respect to the interesting question of staff roles, therefore, we must note two separate and distinct trends: 1) The more recent classes are more likely to have started in staff jobs -- which may reflect either the School's emphasis or the hiring patterns of industry or both. From this point of view the stereotype of the School is correct. However, 2) alumni do not remain in staff jobs for very long. The 40 and over group shows 83% of its members in management jobs and only 8% in staff jobs. Perhaps for Sloan School alumni, the staff job is a good entry level job, but clearly it is not a career. We do not as yet know whether there is a trend operating for the younger groups to remain in

staff jobs longer than the older groups did.

There are many observations to be made about the jobs and roles of the alumni, but one in particular struck me as interesting and worth passing on. We attempted to determine from the job histories which men were entrepreneurs and found that almost all of the present CEO's were in this category and that the bulk of them are in small companies of under 500 employees. In contrast, many of the General Managers and Functional Managers are in large corporations heading up key functional areas, divisions, or subsidiaries. One road up for many of our alumni seems to be to leave large organizations sometime in their 30's and to form a company of their own.

If the mission of the Sloan School is to educate managers and teachers of management, we are clearly fulfilling this mission, though again we must be cautious in basing conclusions on a sample of 30%.

6. INCOME

We asked each of you to report your yearly professional income which would include salary, consulting fees, bonuses, etc. but not stock opinions or similar sources of income. The results are as follows: In the 30 and under group we find a median income of 19,000. Seventeen percent of this group are making less than 15,000, while, at the other extreme 8% are making over 30,000. In the middle group we find a median income of 26,000, with only 2% making less than 15, and 25% making over 30; 5% are making over 50,000. In the 40 and over group we find a median income of 35,000, with still 2% making less than 15, while 30% are making over 40,000. Twenty-one percent are making over 50,000. We have not had time to dig up comparison data for other schools, but we do know that relative

to other occupations, the managers are doing very well indeed income-wise.

7. OTHER CAREER CHARACTERISTICS

Let me mention some other observations about the careers of our alumni. They seem to prefer small organizations: 45% of the youngest group are in organizations of under 500 employees; the middle group shows a reversal with only 37% in smaller organizations, but the older group strongly reasserts the trend with 66% of its members in small organizations. Many of these alumni started in large organizations and switched in their 30's or early 40's. Given trends such as this, it behooves us not to judge the outcomes of our educational process until the alumni are well along in their careers.

The question of organizational loyalty and job turnover has been of some interest. In the 40 and over group, we find only 11% in their original company, and almost half have moved 3 times or more. The middle group in their 30's has 30% of its members still in their original company, and 23% who have moved 3 times or more. The youngest group has 44% of its members in their original company and 6% who have moved 3 times or more. Notice that even in the youngest group, over 50% have already made one or more moves.

What sector of the economy do the alumni work in? 76% are presently in the private sector, 17% work in education, and 7% work in government. If we look at the age groups and if we divide the private sector into production and service industries, we find a trend within the private sector for an increasing number of the younger alumni to have their first job in a service type of business like consulting. Only 4% of the oldest group started in the service sector, while 16% of the

middle group, and 28% of the younger group started in this type of industry. Overall we find more of the younger alumni in the private sector, contrary to what one might expect from the growing interest among students in education and government.

8. OBSERVATIONS ON THEIR EDUCATION

I would like to close with a few observations on the written-in comments as to what parts of the Sloan School education were most and least valuable to the alumni. The comments varied widely in terms of legibility, clarity, and codability but some clear impressions emerged which I want to share with you.

First, the comments reflect the heterogeneity of our alumni sample. In other words, there is great diversity in type of functional emphasis among the alumni, hence little consensus on which part of the education was most valuable. The only areas which clearly stand out as having been most valuable are in the areas of finance and accounting. Second most often mentioned on the positive side was marketing and the area of group dynamics and organization studies. Many people commented on the value of the analytical approach, the basic theory, the opportunity to work in projects, the association with the faculty, but on none of these factors was there much consensus. The quantitative and systems oriented areas tended to be mentioned either in a very positive or very negative light depending upon the present functional orientation of the alumnus. The thesis was not much mentioned at all, and the few that did mention it fell equally into the most and least valuable column. The relative emphasis on technical staff oriented theory subjects vs. practical, bread-and-butter line oriented subjects was highly controversial,

again reflecting the present jobs of the alumni. One lesson I have drawn from these results is that if we attract a broad range of students with a variety of goals we have to have a broad program with a variety of different emphases.

9. CONCLUSIONS

I noted at the outset that this was a preliminary report based on an as yet inadequate sample. We should all be cautious in drawing conclusions, therefore, though it is clear that the kind of information which can be gathered from alumni is a very rich source of data on career development as well as a source of evaluation data for the Sloan School. It is my impression that the Sloan School must become more involved with its alumni, and I hope that the present research project will aid the process of becoming more connected. I think the School has much to learn from the study of its alumni and I think the alumni have much to learn from each other. Hopefully we can begin to build an information system which will make such learning feasible and productive in the future.



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